

State of Georgia

Project IMPROVE Department of Education Grant management process


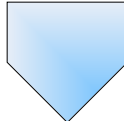

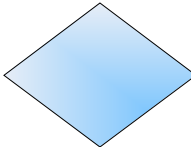
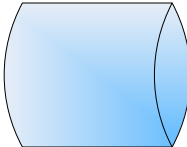
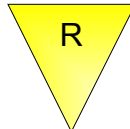
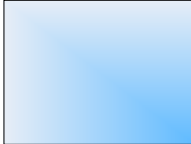
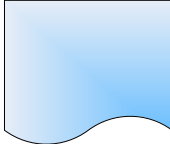


Process: Department of Education (“DOE”) Grant Management Summary

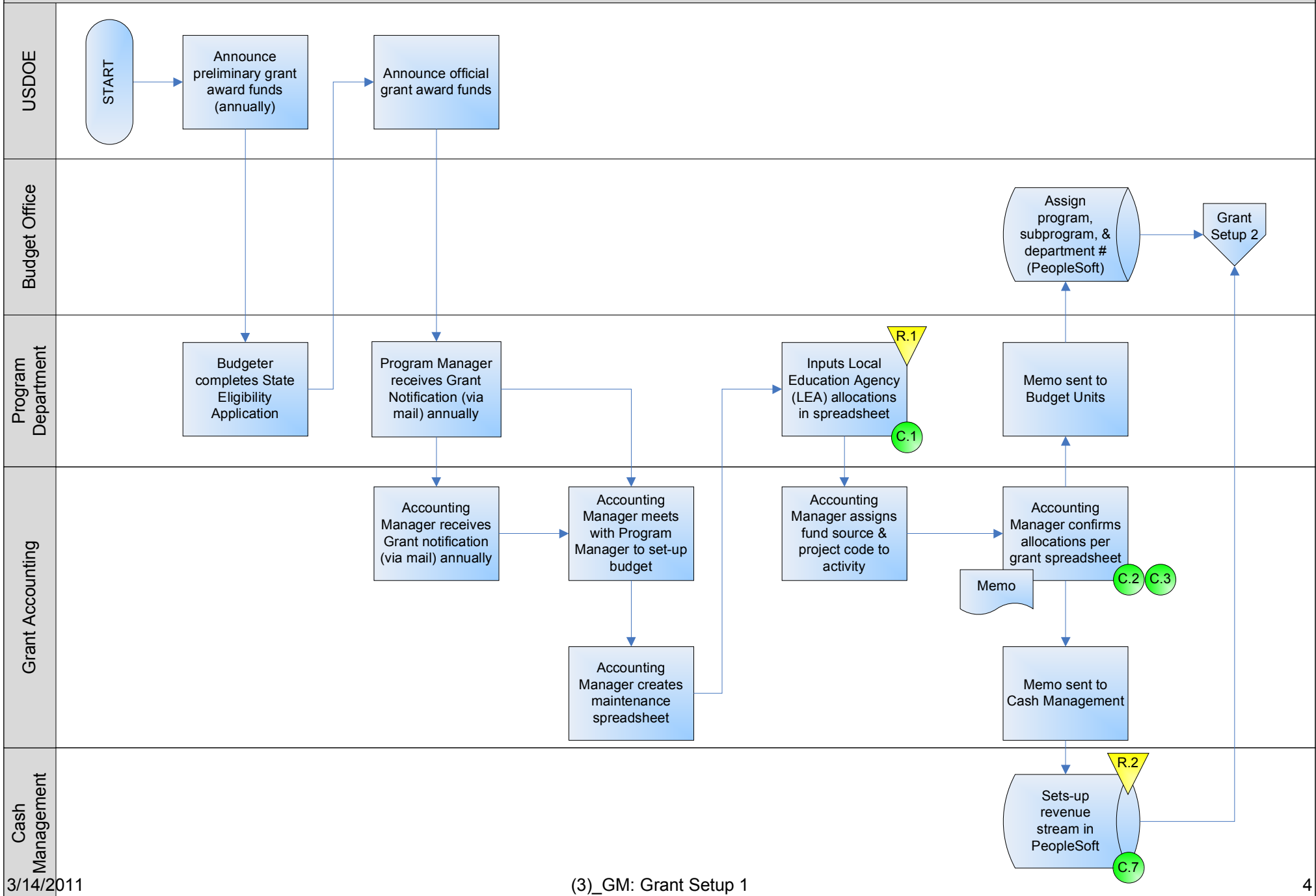
Scope	<ul style="list-style-type: none">• The USDOE announces annual grant awards. The DOE's Grant Accounting Unit and Program Departments set up the budget for the awards and allocate the funds to the Local Education Agencies (LEAs). The budget is input into the Grant Accounting Online Reporting System (GAORS). The LEAs spend the funds and request payments monthly in GAORS, which interfaces with PeopleSoft for payments. At the end of the grant period, the LEAs submit completion reports and the grant award is closed out by the Grant Accounting Unit.
Sub-processes	<ul style="list-style-type: none">• Grant Setup (Competitive, CTAE, Formula)• Disbursements• Grant Award Closeout (Reporting)
Departments Involved	<ul style="list-style-type: none">• Grant Accounting• Budget Office• Cash Management• Information Technology (IT)• Program Department• Local Education Agency (LEA)• Board of Education
Systems	<ul style="list-style-type: none">• Consolidated Application (ConAp)• Grant Accounting Online Reporting System (GAORS)• PeopleSoft

Process: DOE Grant Management

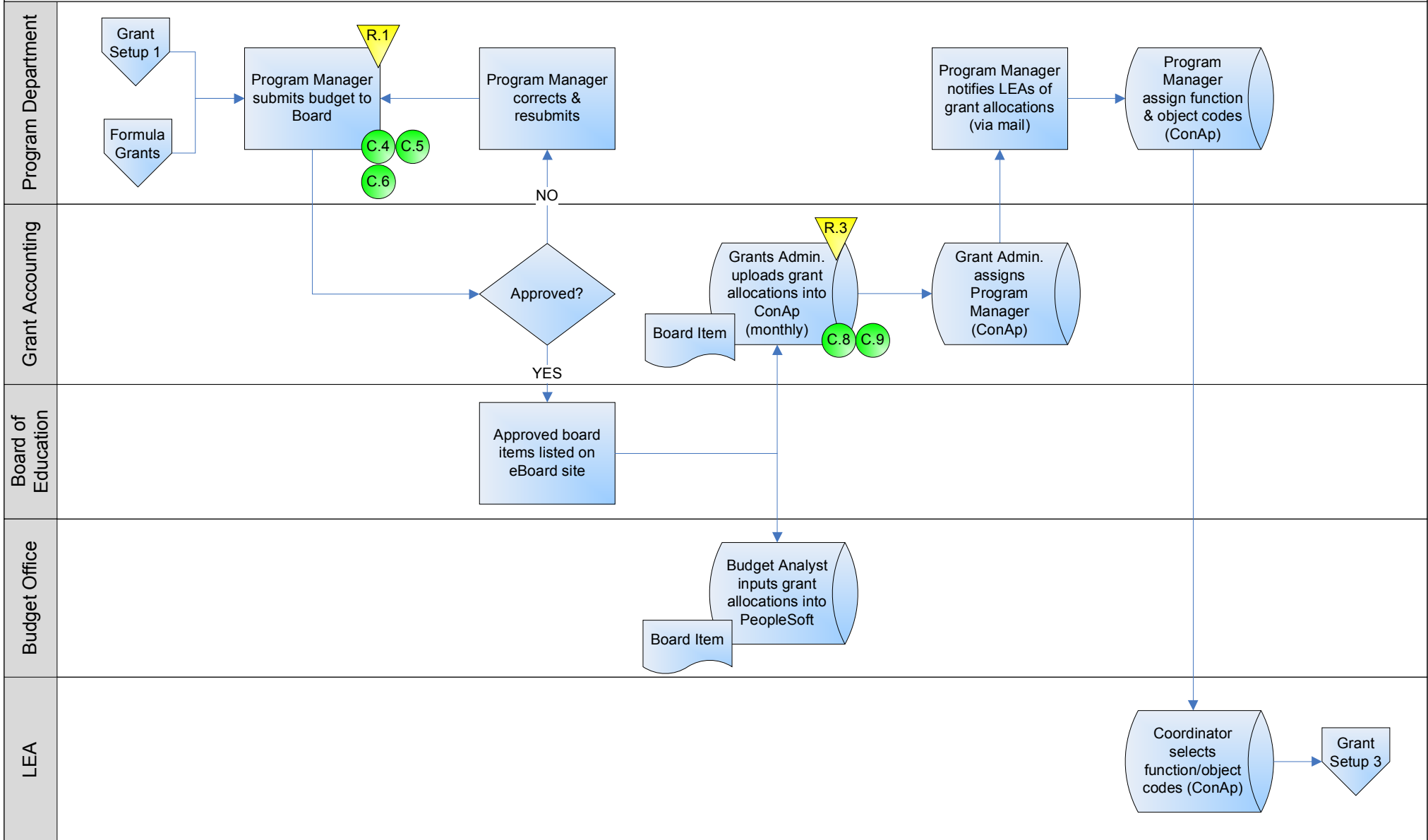
Legend

Symbols		Start/End of process		Off- page reference		Control
		Decision point		System interface		Risk
		Process		Document		
Acronyms	ACH – Automated Clearing House			LEA – Local Education Agency		
	CAR – Consolidated Annual Report			OMB – Office of Management and Budget		
	ConAp – Consolidated Application			OVAE – Office of Vocational and Adult Education		
	CTAE – Career, Technical, and Agricultural Education			SAIPE – Small Area Income and Poverty Estimates		
	DOE – Department of Education			SAO – State Accounting Office		
	GADOE – Georgia Department of Eduaction			USDOE – United States Department of Education		
	GAORS – Grants Accounting Online Reporting System			USED – United States Education Department		

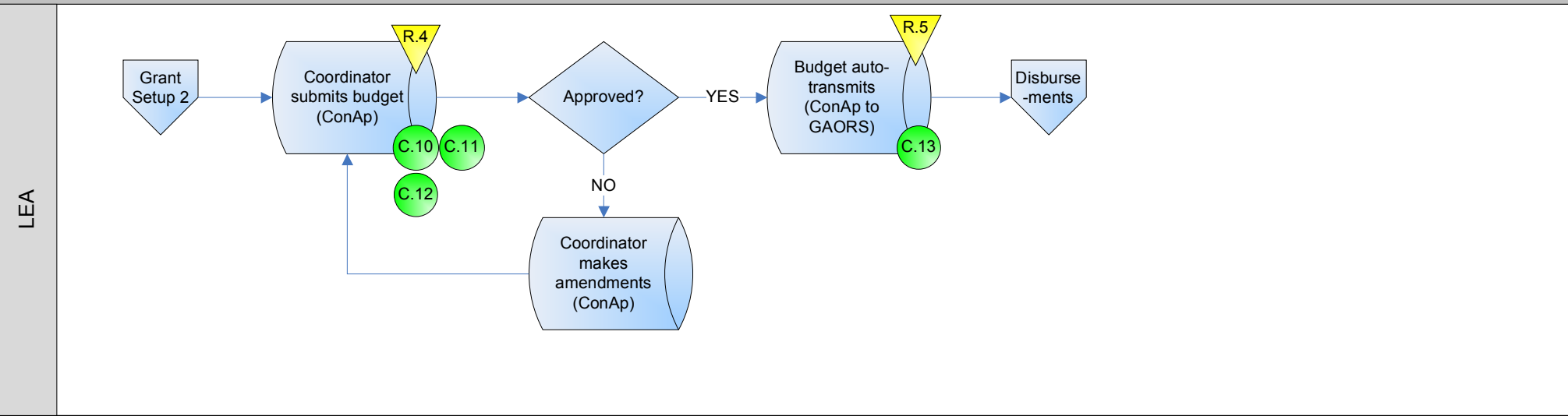
Process: Grant Management
Sub-process: Grant Setup 1



Process: Grant Management
Sub-process: Grant Setup 2



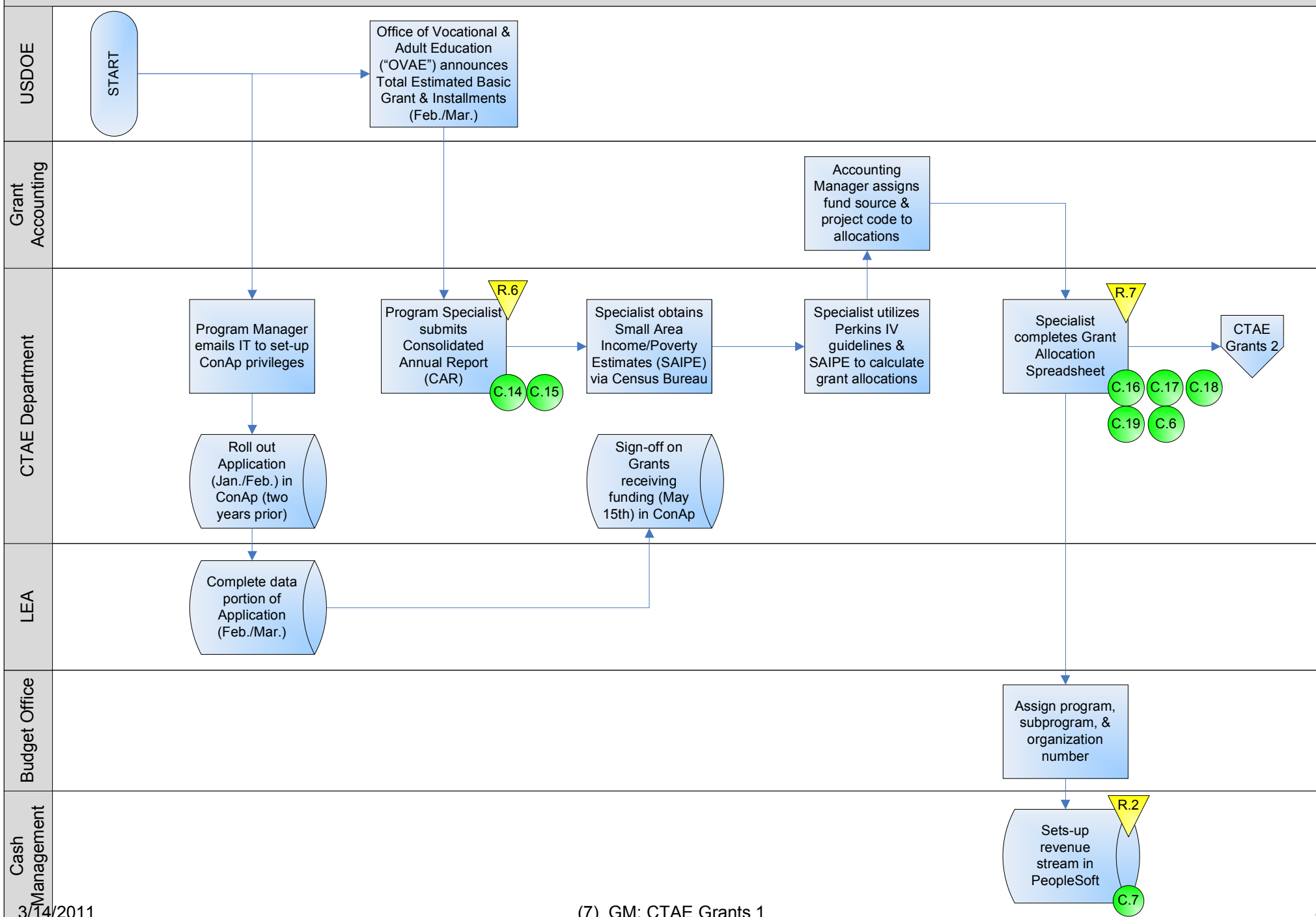
Process: Grant Management
Sub-process: Grant Setup 3



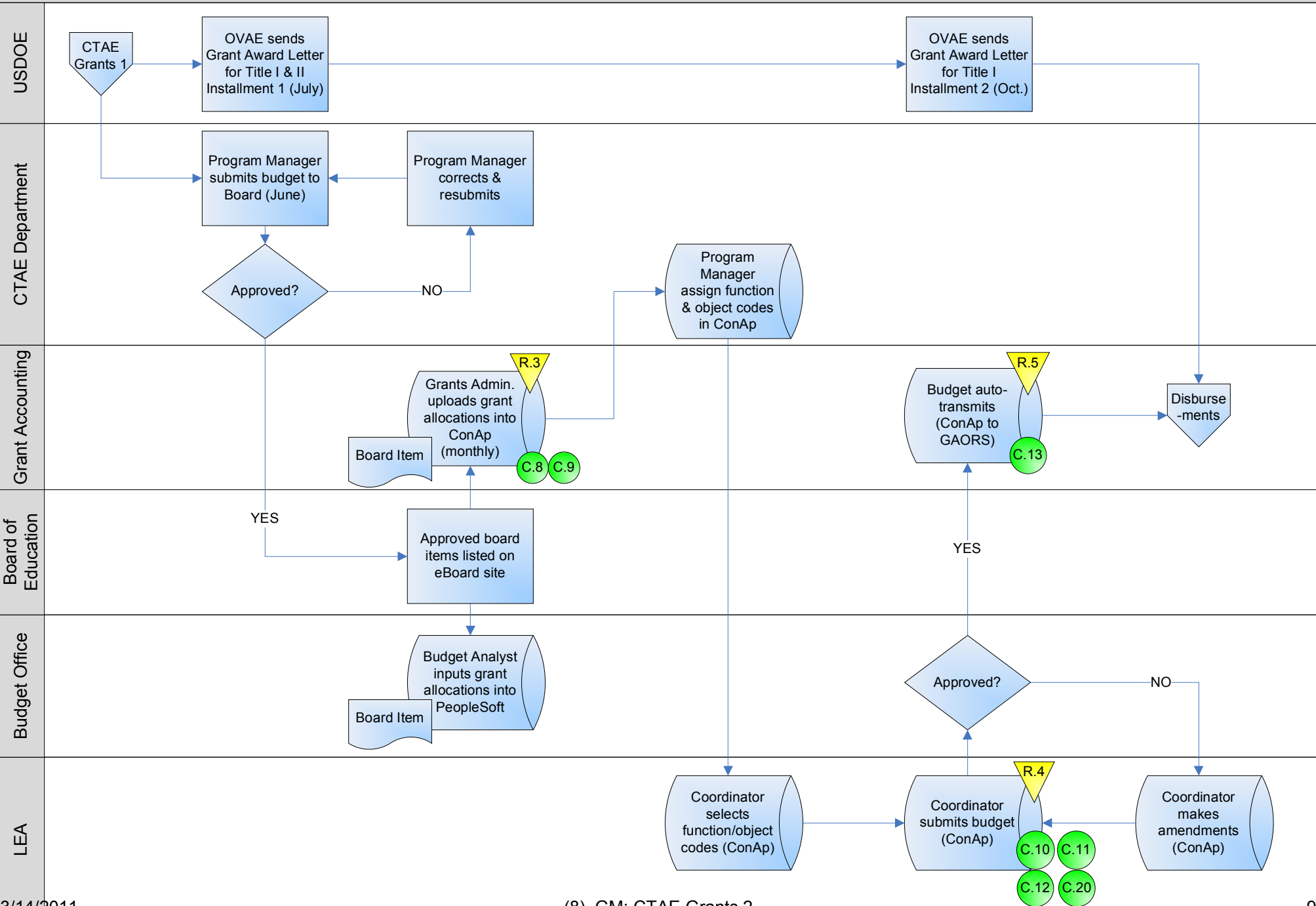
Process: Grant Management
Sub-process: Grant Setup Risks and Controls

Risks	<p>R.1: Grant package/budget are inaccurate or incomplete resulting in loss of funding or inappropriate disbursement/allocation of funds.</p> <p>R.2: Inaccurate or unapproved revenue stream entered in PeopleSoft, resulting in miscoded grant funds.</p> <p>R.3: Extraction or upload errors made resulting in data corruption and inaccurate budgets in the Consolidated Application (ConAp) and Grant Accounting Online Reporting System (GAORS).</p> <p>R.4: Unauthorized budget/amendments set-up in ConAp, resulting in inaccurate allocation of funds.</p> <p>R.5: Data transmission error resulting in loss or incomplete budget in GAORS.</p>
Controls	<p>C.1: Program Managers follow the standards in the Office of Management and Budget (OMB) Circular to allocate the budget between the Local Education Agencies (LEA) and the program activities.</p> <p>C.2: The grant information is reviewed by the Program Manager to confirm the budget is complete and accurate.</p> <p>C.3: The memo is kept on file in the Grant Award File for at least three (3) years to serve as support for any questions/disputes that may arise.</p> <p>C.4: Program Manager takes the grant to the "Associates" (inter-office review) for approval.</p> <p>C.5: Program Manager submits grant to the Program Deputy Superintendent for approval.</p> <p>C.6: Grants with POs greater than \$5,000 are sent to the State Board of Education (SBOE) for approval.</p> <p>C.7: Cash Management cannot set up the revenue stream in PeopleSoft until the budget is set up.</p> <p>C.8: Grants Administrator reconciles grant line items (sub grants) and budget totals between PDF file from the Department of Education's (DOE) eBoard site and Excel spreadsheet created by the Grants Administrator from the PDF file using "Able to Extract" converter program.</p> <p>C.9: Grants Administrator performs reconciliation between ConAp totals and budget totals in Excel spreadsheet to confirm that the data was not altered during transmission.</p> <p>C.10: Superintendent sign-off in ConAp with read-only access to approve budget and amendments.</p> <p>C.11: State Program Manager (area specialist) sign-off in ConAp with read-only access to approve budget and amendments.</p> <p>C.12: Grants Administrator sign-off in ConAp with read-only access to approve budget and amendments after reconciling budgeted amounts in ConAp with eBoard item and confirming unallocated funds equals zero (0).</p> <p>C.13: Grants Administrator performs reconciliations between allocations in ConAp and GAORS to confirm data was transmitted without error through weekly reconciliations of system spreadsheets.</p>

Process: Grant Management
Sub-process: CTAE - Grant Setup 1



Process: Grant Management
Sub-process: CTAE - Grant Setup 2

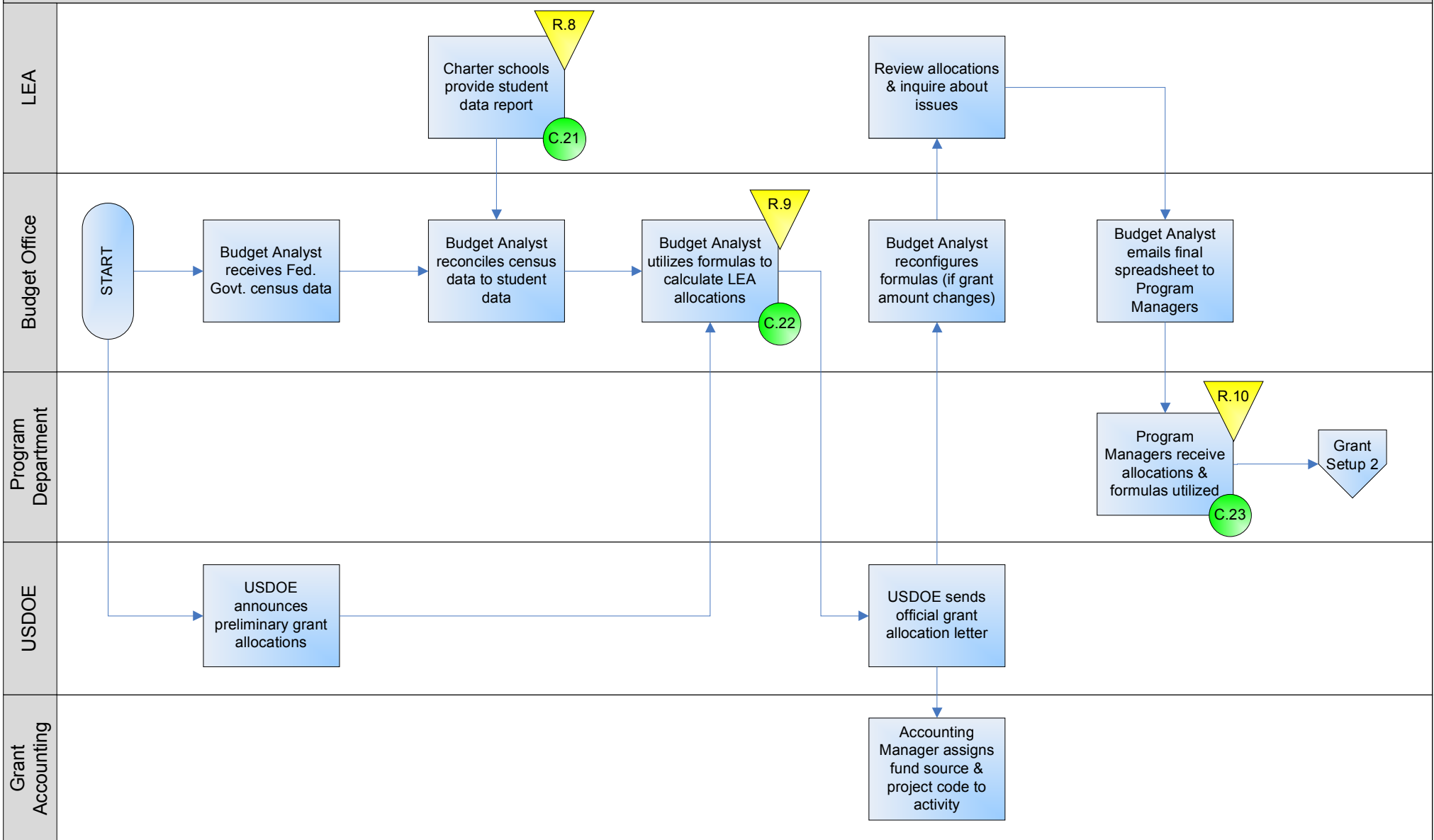


Process: Grant Management

Sub-process: CTAE - Grant Setup Risks and Controls

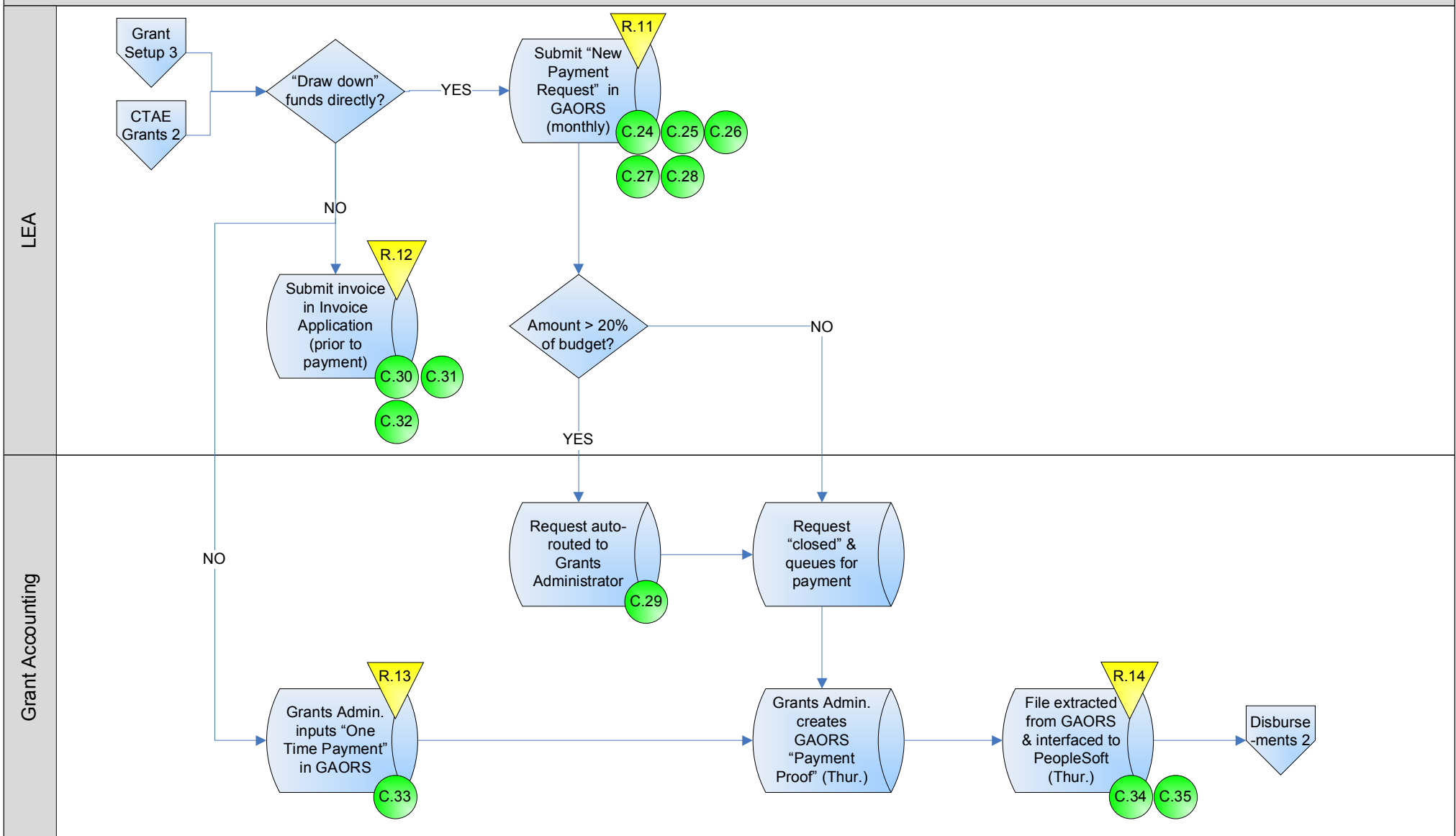
Risks	<p>R.6: Consolidated Annual Report is inaccurate or incomplete resulting in inaccurate grant allocations to the Career, Technical, and Agricultural Education Division (CTAE) from the Office of Vocational & Adult Education (OVAE).</p> <p>R.7: Incorrect grant allocations input into grant allocation spreadsheet resulting in budget not approved by the Board.</p>
Controls	<p>C.14: Department Accounting staff validates that the data pulled from previous year Completion Report and inserted into Consolidated Application Report (CAR) is complete/accurate by reviewing data figures (by line item), prior to submission to Federal Department of Health and Human Services ("DHHS") via website (due April 1st).</p> <p>C.15: Consolidated Application Report data must comply with Maintenance of Effort ("MOE") requirements.</p> <p>C.16: Grant allocation figures and terminology are reviewed by the Budget Committee to note completeness and accuracy, prior to review by the Finance and Budgeting Office ("FBO").</p> <p>C.17: Grant allocation figures and terminology are reviewed by the FBO to confirm completeness and accuracy, prior to review by the Standards, Instruction, and Assessment ("SIA") group.</p> <p>C.18: Grant allocation figures and terminology are reviewed by the SIA to confirm completeness and accuracy, prior to review by the State Board of Education.</p> <p>C.19: Program Specialist uploads final approved file to DOE shared drive in PDF format to prevent unauthorized users to alter the file.</p> <p>C.20: Grant Plan must be approved and signed off by the LEA's local Board coordinator prior to approval by the program department (May 15th-September 30th - date of approval inserted in ConAp).</p>

Process: Grant Management
Sub-process: Formula Grants

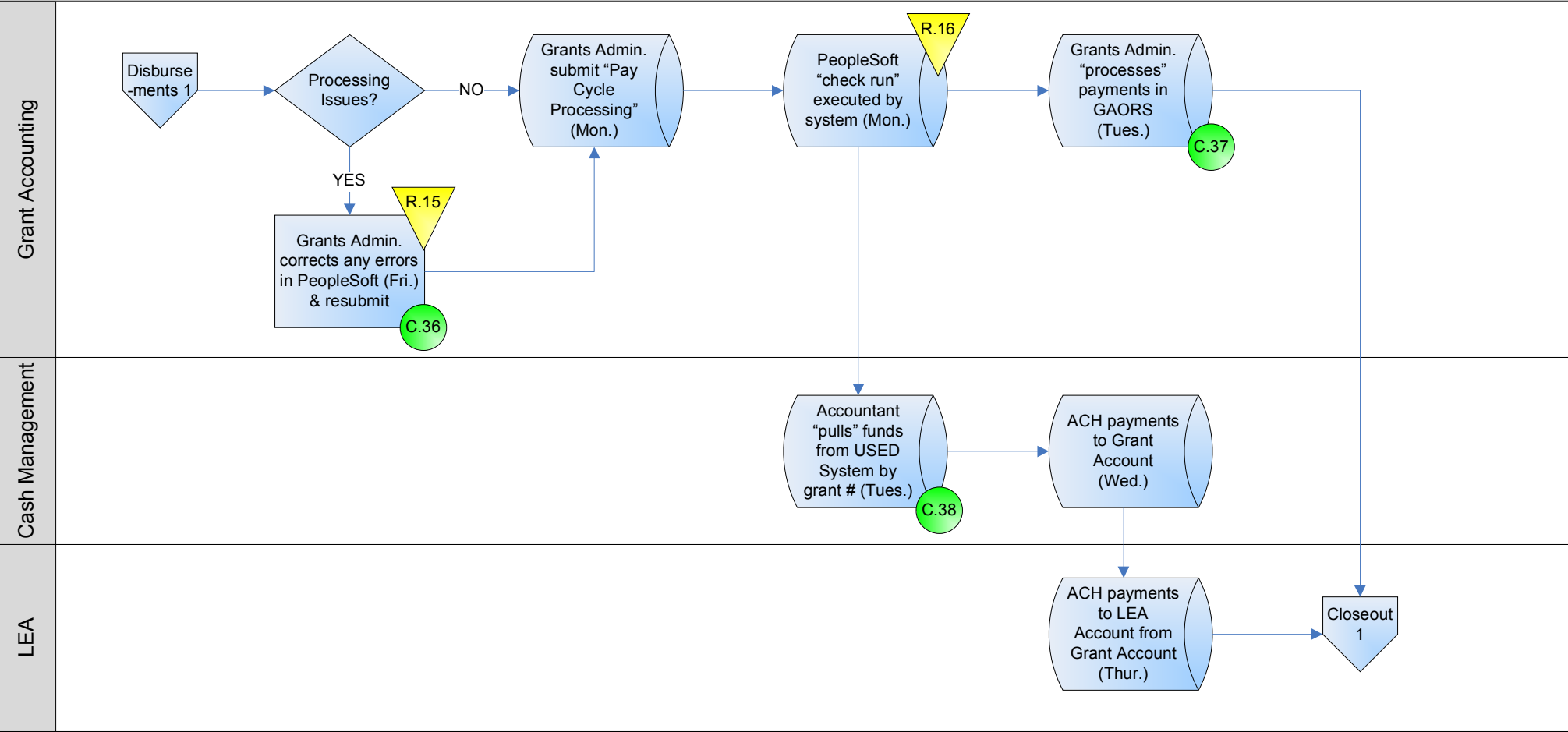


Process: Grant Management Sub-process: Formula Grants Risks and Controls	
Risks	<p>R.8: Inaccurate student data provided to Budget Analyst resulting in incorrect grant amounts.</p> <p>R.9: Figures/formulas in spreadsheet are inadvertently altered, resulting in incorrect grant amounts used by program management.</p> <p>R.10: Incorrect grant allocations input into spreadsheet resulting in inaccurate grant amounts.</p>
Controls	<p>C.21: Charter School Program Manager compares the Census Bureau data to the school district’s student data report to confirm proper grant amounts are distributed accurately.</p> <p>C.22: Spreadsheet containing formulas is maintained on a shared drive in “read only” format to prevent end users from altering data.</p> <p>C.23: Program Managers/“Area Specialists” review data used for inputs to spreadsheet formulas, to confirm the grant amounts are correct.</p>

Process: Grant Management
Sub-process: Grant Disbursements 1



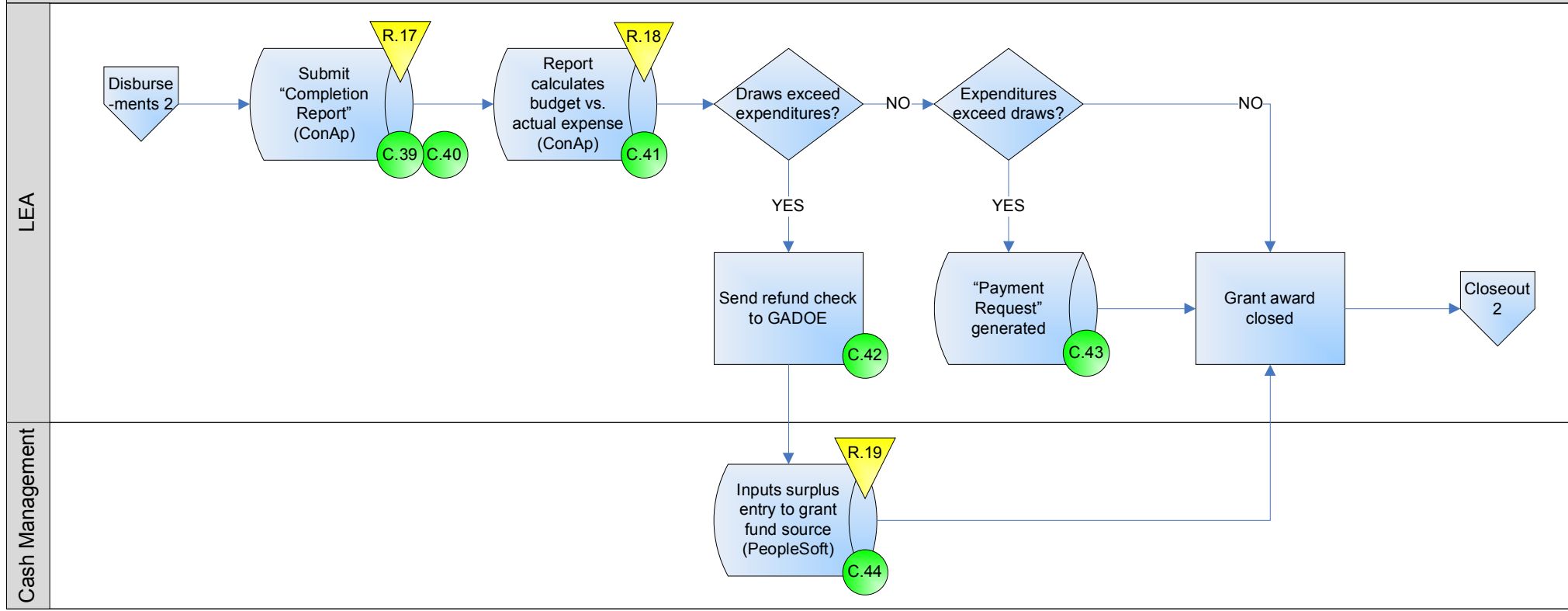
Process: Grant Management
Sub-process: Grant Disbursements 2



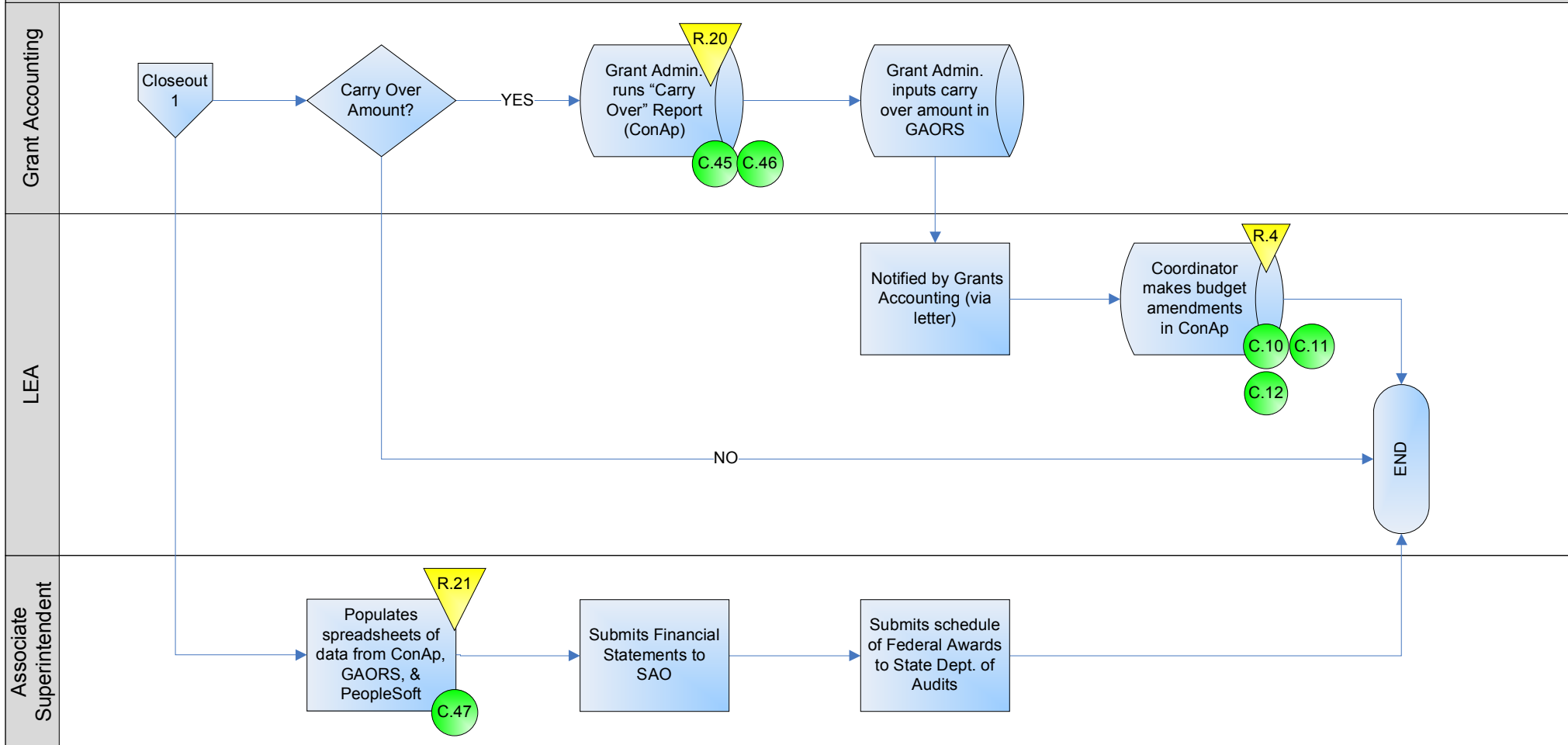
Process: Grant Management
Sub-process: Grant Disbursements Risks and Controls

Risks	<p>R.11: Individuals create unauthorized payment requests not in compliance with the specified terms of the grant award resulting in misappropriation/ misuse of budget funds.</p> <p>R.12: Invoices submitted in Invoice Application for expenditures outside of the specified and approved grant terms.</p> <p>R.13: One time payment is used for unauthorized payments, resulting in loss of awarded grant funds.</p> <p>R.14: Data transmission errors resulting in incomplete or inaccurate payment requests.</p> <p>R.15: Incomplete or inaccurate payment requests or budgets, resulting in inability to timely fulfill payment requests to LEAs.</p> <p>R.16: Inaccurate disbursement made resulting in loss of awarded grant funds.</p>
Controls	<p>C.24: LEAs with the help of their Security Officer submit "GAORS Access Forms" to the IT help desk to set-up access to GAORS with final approval from the Grants Administrator (IT user-access control).</p> <p>C.25: LEA Submitter (if different from preparer) reviews "new payment request" information for accuracy prior to submission in GAORS.</p> <p>C.26: Program Manager monitors monthly fund usage through use of "budget to actual" report provided by Budget Office.</p> <p>C.27: In the event a "draw down" from GAORS is late, the LEA is required to provide an explanation of why the "draw down" of funds did not occur (in a justification memo submitted to the Accounting Manager) to receive the funds the following month.</p> <p>C.28: Program Department forms "audit/monitoring" teams to confirm the expenditures are in compliance with the grant terms by testing detailed support for the grant expenditures at the LEA locations.</p> <p>C.29: If amount requested is over 20% of the approved annual budget, the Payment Request will be auto-routed to the Grants Administrator for approval in GAORS in the "Pending Payment Request" queue (Grants Administrator will "process the request" for the request to show "close" status).</p> <p>C.30: Program Manager approves the invoice in the Invoice Application to note grant spending is in compliance with the grant terms.</p> <p>C.31: Georgia State Finance and Insurance Commission (GSFIC) receives copies of all invoices related to bonds (hard copies) that are submitted through the Invoice Application, and notifies the Grants Administrator of approval or amendments to the invoices via email.</p> <p>C.32: Grants Administrator approves (or edits if needed) the invoice in the Invoice Application prior to LEA receiving funding to confirm it is in compliance with grant terms before it is entered into GAORS.</p> <p>C.33: One time payment approved by the Board of Education prior to input into GAORS by Grants Administrator.</p> <p>C.34: At the end of each week, the Grants Administrator reconciles the "Payment Due Proof" report created daily in GAORS with the "Payments Processed" report created daily in PeopleSoft to identify any discrepancies/system errors (e.g. timing lags) that occurred during payment processing.</p> <p>C.35: Budget Department provides the daily "Exception Report" from the PeopleSoft budget check to Grants Accounting via email to allow Grants Accounting to follow-up with any identified errors (Friday).</p> <p>C.36: Grants Administrator reconciles payment corrections submitted in PeopleSoft with GAORS "Payment Proof" report and "Exception Report" from PeopleSoft (Friday).</p> <p>C.37: Payment Advices automatically configured in GAORS (once payables are posted) for LEAs to view for completeness/accuracy of payment (amount, date, grant award).</p> <p>C.38: "Draw down" from United States Education (USED) Credit System produces a report containing award number, net drawn down, and remaining available balance which is reconciled monthly by Cash Management to PeopleSoft cash balance by fund source.</p>

Process: Grant Management
Sub-process: Grant Award Closeout 1



Process: Grant Management
Sub-process: Grant Award Closeout 2



Process: Grant Management

Sub-process: Grant Award Closeout Risks and Controls

Risks	<p>R.17: Grants are not closed in a timely and accurate manner, resulting in misappropriation of budgeted funds and expenditures.</p> <p>R.18: Grant funding is used for unauthorized disbursements.</p> <p>R.19: Refund checks received from LEAs are not tracked and recorded accurately.</p> <p>R.20: LEAs receive additional funds in excess of the allowable “carryover” amount.</p> <p>R.21: Grant fund balances maintained in three (3) separate locations could result in grant accounting/reporting errors.</p>
Controls	<p>C.39: Completion Report due 30 days after the end of the fiscal year by the LEA to highlight any differences in budgeted to actual expenditures, so differences can be addressed timely.</p> <p>C.40: The final approved budget from ConAp is automatically populated into the Completion Report, reducing the risk of manual entry errors.</p> <p>C.41: Grants Accounting reviews allocation amounts to confirm expenditure amounts are within the terms of the Grant award and budget.</p> <p>C.42: If cash draws exceed budgeted allocation by more than 25% over the function, the Board must approve the draws or the LEA owes GADOE a refund.</p> <p>C.43: GAORS systematically creates “Payment Requests” for the difference between the LEA’s actual expenditures and the “draw down” amount without exceeding the total actual expenditure amount.</p> <p>C.44: Cash Management performs monthly reconciliations of the Credit System Report to the PeopleSoft balance sheet to confirm the net amount of “draw downs” and the remaining available grant balance are accurate.</p> <p>C.45: Carry over amount cannot be received by LEA until current fiscal year budget is approved by the Board.</p> <p>C.46: For grants with “carry over” restrictions, the LEA must prepare a waiver to be approved by the Program Manager to receive the full carry over amount (if greater than initial restriction).</p> <p>C.47: Associate Superintendent reconciles the three (3) spreadsheets to identify/resolve any discrepancies (errors, timing lags, etc.) to account for final account balances.</p>